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TAGS: [EAGR](#) [EAID](#) [ECON](#) [ETRD](#) [KFPC](#) [PGOV](#) [IZ](#)
SUBJECT: NEW AGRICULTURE MINISTER EMPHASIZES INCREASED
COORDINATION, PRIVATE SECTOR DEVELOPMENT

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Classified By: A/DCM Daniel V. Speckhard for reasons 1.4 (b) and (d).

11. (SBU) SUMMARY: DCM Satterfield and Embassy staff met on June 5 with new Agriculture Minister Yuarib Nadhim Al-Abudi and members of his staff. Al-Abudi, a Shi'a with Sadrism affiliation, told us that he looks forward to an improved relationship with the Embassy and a joint effort to rebuild Iraq's agricultural sector. His staff requested increased coordination on capacity-building projects and assistance in developing Iraqi agribusiness. DCM pledged full Embassy support and described Iraq's agricultural sector as second only to oil in its importance to Iraq's economic development. DCM stressed the need for Iraq to reform its Public Distribution System (PDS) and eliminate unfair trade barriers as critical steps for realizing Iraq's full agricultural potential. Based on Minister Al-Abudi's willingness to cooperate and his staff's requests for private-sector development assistance, we are hopeful of a positive relationship, although we are wary of the Minister's Sadrism affiliation. END SUMMARY.

Improving Coordination

12. (SBU) DCM Satterfield, USAID Director, Agriculture Counselor, MNF-I representative, and EconOff met on June 5 with Yuarib Nadhim Al-Abudi, the new Minister of Agriculture, and several members of his staff. Al-Abudi expressed a desire to improve the relationship with the Embassy and to work together to rebuild Iraq's agricultural sector. Deputy Minister Subhi M. Al-Jumaily requested further consultations about USG programs and projects during both the planning and execution stages. According to Director General of Planning Salah Al-Din Kathem Aziz, American expertise can be invaluable for solving many of Iraq's agricultural problems, including high soil salinity in southern Iraq, which he blamed on the destructive practices of Saddam's regime.

13. (SBU) DCM pledged full Embassy support to rebuild Iraqi agriculture through free-market principles and stressed the enormous employment and economic growth potential of the sector. Agriculture Counselor explained the importance of Iraq's extension service project because of its potential to transfer new technologies and knowledge from the United States to Iraq. AgCouns also expressed our desire to support development in Iraq's traditionally strong areas, such as lamb and rice. USAID Director told the Minister about USAID's ongoing efforts to assist Iraqi farmers through grants, employment programs, irrigation projects, and various other programs -- stressing that USAID plans to continue its support into the future. The Minister and his staff reacted positively to our comments, and Deputy Minister Al-Jumaily

said he looks forward to our "fruitful cooperation."

Developing the Private Sector

¶4. (SBU) DG Aziz told us that Iraq needs USG assistance to develop its agricultural private sector. Because Iraqi agribusiness development currently is so limited, Aziz explained, farmers are forced to rely on the government to provide many of their needs and to procure much of their output. DCM stated that Iraq's PDS is a major reason that Iraqi agribusiness is currently so underdeveloped, and he expressed our willingness to help the GOI reform the PDS. (NOTE: The PDS is a highly inefficient \$3 billion food-subsidy program administered by the Ministry of Trade (MoT). The MoT procures approximately 87 percent of the food items used in the distribution system from foreign sources. END NOTE.) Iraq's protectionist barriers to free trade over the past year, especially regarding poultry, have been harmful to development, DCM noted. DCM added that the MoA should pursue transparent trade policies based on health and safety standards. The Minister and his staff, while not openly embracing the DCM's statements about PDS reform and trade barriers, did not disagree.

Comment: A Welcome Change?

¶5. (C) COMMENT: Minister Al-Abudi's willingness to cooperate is a welcome change from the last Minister, who refused to place MoA representatives on either the Embassy Ministry Advisory Team (MAT) for Agriculture or the Embassy Joint Agricultural Task Force (JATF). (NOTE: The MATs are part of a USG program to build capacity within the ministries. The JATF is a team comprising Embassy, military, and international partners, with the mission of better

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coordinating agriculture development projects throughout

Iraq. END NOTE.) The former Minister also failed to create a strategic plan for rebuilding Iraq's agriculture sector or establish a multilateral sector working group (a recommendation made by the World Bank in autumn 2005 at a meeting in Amman).

¶6. (C) COMMENT CONT'D: We are also encouraged by the Minister's desire to increase private-sector development. It remains to be seen, however, whether Minister Al-Abudi's Sadrist affiliation will adversely affect his and his staff's initial willingness to cooperate and their desire to increase private-sector development.

¶7. (C) COMMENT CONT'D: DM Al-Jumaily and DG Aziz did most of the talking on the Iraqi side. Minister Al-Abudi, though attentive and engaged, did not speak much after his introductory remarks. It is hard to determine whether his quiet demeanor stemmed from personality, leadership style, lack of experience in agriculture, or dislike of America. Also, considering that DM Al-Jumaily has been at the MoA for more than three years and DG Aziz also has spent considerable time there, their command of the issues is not surprising. END COMMENT.
SPECKHARD